# Textproted to Be Esperate by - RAP 100146 000100 DOPPHES CPYRGHT

Special to The New York Times,

WASHINGTON, Sept. 20-Following is the text of the speech delivered last night by Allen W. Dulles, director of the Central Intelligence Agency before the Advertising Council Inc., in San Francisco.

this opportunity to recognize publicly the generosity of the Advertising Council in devoting so great a share of its time and resources in the general welfare.

You have freely supported those great causes which promote domestically and internationally the ideals of our people. You have been in the forefront of campaigns to alert the people of this country to the dangers of alien and destructive movements such as international communism.

PYRGŁ

As one in Government who has had the opportunity of judging of the effectiveness of this work, I wish to express gratitude.

It may seem a bit paradoxical that the Director of Central Intelligence should be deresting the Advertising Council. You represent the trend, which seems quite irrestible, that "it pays to advertise."

I am the head of the silent service and cannot advertise my wares. Sometimes, I admit, this is a bit irksome.

Often we know a bit more about what is going on in the world than we are credited with, and we realize a little advertisement might improve our public relations. For major reasons of policy, how-ever, public relations must be sacrificed to the security of our operations.

You and we, however, have much in common. We are both deeply concerned with the impact of ideas on human be-

In carying out one of the Central Intelligence Agency's importan tasks, that of esti-mating future developments in the foreign field, the ability o analyze public reactions is essential in our job. We, as you, have to judge whether deas have a transitory value or will have an enduring ef-ect upon the behaviors of

#### Ideas 'a Fascinating Study'

In particular, it is a fascinating study to follow the development of the ideas be-hind certain of the great revolutionary movements.
Some such movements were promoted by religious fervor, some by brute military force many by a combination of might and assertions of right. ese movements have had

their day, long or short.
Some have had broad geographic appeal. Some were limited to a particular area, and the history of some has never really been decipihered. Our civilization, despite the dark ages, has been tough enough to survive the most igorous and long-lived revolutionary assualts on mind

Tonight I propose to give you the results of an analysis the recent happenings with-the . Soviet Communist

world, and I shall be bold enough to draw certain con-clusions which support my conviction that radical changes are taking place and more are in the making.

The initial ideological fer-

vor, I believe, is seeping out of the international revolu-

Union. Marism was not designed for the atomic age of the mid-twentieth century

Effective as communism has been in establishing control of the two powerful nations and imposing its will on a number of satellite countries, it is beginning to encounter difficulties in coping with the complex industrial and technological problems of

Further, while some of the industrial and military achievements of both the S. S. R. and Communist China have stirred the pride of its citizens, communism has failed to devise a political system capable of commanding the loyalties of governed peoples without resort to the cruel barbarities of mass ter-ror. It has satisfied neither the ideals, the aspirations nor the needs of the people subject to its domination.

#### Reds Held Forced to Review,

Accordingly, the leaders of international communism are being forced to review their situation and to consider major changes, changes which strike at the very heart of the system.

The theories of Marx and Lenin proved useful windowdressing behind which the Communists established their monopoly of political power—the so-called dictatorship of the proletariat. These ideas are of little aid in guiding the Communist dictatorship in meeting the challenge of the world today.

What prophet is there left Soviet Russia? Marx and in Soviet Russia? Lenin are given lip service, but their advice and counsel have little applicability today Stalin has been discredited, though his embarrassing remains are still on view in the Kremlin.

[Nikita S.] Khrushchev is unlikely to blossom out as a creator of new Communist doctrine though his impetuosity and unpredictability remain a matter of grave concern in an international situation as tense as that of today. Mao [Tse-tung] retains his role as a prophet in China, but he, too, is having his troubles.

When Stalin disappeared from the scene a little less than five years ago, he left a clouded heritage. His later years of dictatorship had brought the Soviet Union close to war and disaster.

Ventures in Greece, at Berlin and finally in Korea had opened the eyes even of the credulous abroad. Domestically, harsh measures of forced industrialization and military build-up, successful as they were technologically, had left little place for meeting the

## on the Soviet Union

had created popular unrest, suspicion and despair. Khrushehev told us the story of how terror-ridden Soviet life

known secret speech at the twentieth party congress over a year ago, a speech still un-published in the Communist world. It was too strong medicine for popular consumption although bits and pieces of it were allowed to leak out.

#### Stalinists' Tasks Noted

Stalin's successors had the difficult task of tempering a dictatorship but yet maintaining complete authority, of doing away with the Stalinist type of secret-police repression and yet keeping the peo-ple under iron discipline, of maintaining a tight rein but still creating the impression, and giving some of the sub-stance of a new measure of freedom.

[Lavrenti P.] Beria found it hard to fit into this picture. He did not want to relinguish his personal control of the secret police through which he hoped to gain the top position. His plot was discovered and e was liquidated. Since then the military seems to have become the decisive element where force or the threat of force was required to support a political decision.

After the Beria crisis, we were told that the dictatorship, more properly described as a collective dictatorship, True enough, the crisis of re-adjustment to the post-Stalin era brought together in uneasy harmony the surviving members of the governning body known as the Presiduim of the party.

Many here at home and abroad wrongly estimated that this might be an enduring form of government. Actually, bitter personal rivalries and basic differences of philosophies and outlook remain unreconciled,

The ultimate authority to make crucial decisions must rest firmly somewhere and that "somewhere" is unlikely for long to be in a collective. Majority rule is appropriate for legislative and judicial bodies, but it does not function satisfatcorily in the executive field, where decisiveness of action is essential,

#### Malenkov's Role Recalled

For a time after Stalin's disappearance from the scene, [Georgi M.] Malenkov tried to lead the collective team, seemingly down a course which promised a better break for the people than they had ever had before. In 1955, he was forced to confess his incapacity, and Khrushchev took over, committing himself, like his predecessor, to the collective-rule formula tive-rule formula.

Then, last June, the inevi-

table irreconcilable conflict of opinions emerged, the collective broke down and, with he approval of the military, in particular [Marshal Georgi K.] Zhukov, Khrushchev elineeds of the people. [K] Zhukov, Khrushchev eli-Morcover, the systematic minated his rivals—[Vyache-cruelties of the secret police, say M.] Molotov and [Lazar M.] Kaganovich, who really felt that the old Stalinist and foreign policies were preferable, and Malenkov, who due

experience, and apparent popularity, was a dangerous potential rival.

At the moment, Klirushchev is busily engaged in implicating Malenkov in the crimes of Stalin's later days, classing him as "shadow and tool" of Beria. Since Beria was shot for treason, the threat to Malenkov is naked

enough for all to sec.
So the history of Soviet governmental changes re-peats itself, although in a slightly different pattern from that of the two previous dec-

Those recently purged have not yet been liquidated, like Beria, or eliminated by mock trials such as those of the late Nineteen Thirties, With a touch of almost sardonic humor, the miscreants have been assigned to the oblivion

been assigned to the oblivion of Siberia or the darkness of Outer Mongolia.

It was the hand-picked Central Committee of the Communist party, with the backing of the army, which played the decisive role in last summer's changes in the high command. This suggests high command. This suggests that the Presidium on its own can no longer deal with recalcitrant members, at least in a situation where the issues are closely drawn and where those to be eliminated are not in a hopeless minor-

#### Called Camouflage

The claim that the purpose of these changes was to get back to the pure Leninist communism of the past is camouflage. No differing camouflage. theories of Communist and Marxist dogma played a decisive role in this struggle.

It was a question of power politics in a situation where hard decisions had to be made in both the domestic and foreign fields. There were, in fact, very deep and fundamental divergences of views among the members of the Presidium, and the col-lective failed to function bethe differences were not susceptible of compromise.

Three main issues divided the Soviet leaders. The first concerned the decentralization of industry,

After years of extolling the virtues of a centrally planned economy, some of the Soviet leaders have recently begun to stress the need of local initiative to improve efficiency at the plant level. By the use of local resources, it was hoped to ease the burden on transport facilities, minimize duplication of effort and stimulate managerial initia-

Acting on these theories, Khrushchev recently forced through a program to decentralize away from Moscow many elements of control of

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That proud boast could not be made today. The Hungarian -and we shall always be the party of the youth of the advanced class." readiest for sacrificial combat Nonug. always siways gladly gives its alle-of self-sacrificing struggle against the ancient rot, and "We are the party of the future belongs to the future belongs to the young. We are the party of innovation, and it is to the innovation that to the same alady where the following states the sales were alady whose the

their ability to appeal with success to the Yough and the students. In 1905, Lenin uodn particularly conurga In the past, the Soviets

consent, in their own governph an effective expression of allowed to participate, at least police-state discipline, given a greater economic share of their labors, and people cannot be freed from rigid Communist party and the question why the Russian who have their critical faculdictatorship, Men and women and Chinese Communist lead-ers give their people is a dangerous commodity for a

prince of period for the first first first first first first from flaws in the Communist system itself.

The education which soviet first practice of publicly executing Peiping regime quickly reversed itself and has only a tew weeks ago resumed the ing criticlams promptly voiced by Chinese intellectuals, the schools of thought contend," tim, enunciating the doctrine blown as "Let a hundred thwois bloom, let a hundred the contraction of the con ting critics by liberalizing sys-Student and intellectual for the state of th

#### Chinese Tried Criticism

copie. icerning.

The Soviet leaders, I tirmly belove, cannot illuminate their scientific lecture halls and lecture halls be pendicined to turning of their scientific lecture in the history and economics the instructor turning off their smallytical processes to the instructor cannot be ponditioned to turning off their smallytical processes to the instructor changes of copies.

of in sampartment of into sampartments of samp substance, it has a way of cations system they emphasize scions and technical size scientific and technical fields much more than social sciences and the hamanities.

schools corresponding to our high school and colleges, It is true that in their eduto sbardand the Samuels of As a result, the U. S. S. R. has enormously speeded up the education of the Russian people, particularly in the scientific and technical field. trialization program, the U. S. B.R. in the past decade lash of its pell-mell indusdevelopment of an industrial ucational system and by the

them of the exchange of a flower them. The exchange of a few controlled traveling delegations in not enough. The batter to information and suppliers to information and suppliers the exchange of the exchange spont the allegedly hostile atby and large, the bulk of the By and large, the bulk by and large the Custon for a dream world about everything outside the U.S.R., and the most tragic part about this is the distorted factor and the most solved factors beat and the control of the boy of the boy of the property of the

were too late in realizing its subtle attack on the founda-tions of the Communist sysyet banned it. Probably they guided and dangerous, It is significant that they have not lambasted the book as misvict regime began to fire at the author, Dudintsev, and Khrushchev himself recently Union today,
All the big guns of the So-

and bureaucracy in the Soviet seamier side of political life lar interest in the U. S. S. R. because it showed some of the Alone." It evoked great popurealistic novel with the clo-There was recently pub-lished in Moscow a highly

#### Recent Soviet Novel Cited

under therug and keep their own people in the dark. Instead of dealing with such Dillas, in his recently pub-lished book, "The New Class." nist doctrine by the Yugoslav, U. W. report on Hungary, nor the basic attack on Commu-Khrushchev secret speech, the the big Soviet Youth Festival. Similarly, they do not dare publish such documents as the went to Moscow recently for their panicky warmings to Svict youth about being de-ceived by the words of the American boys and girls who how frightened they are from Except for certain supervised and guided tours, the answer to this so far seems to be :.no. We can guess to be :.no. We can guess

to the press, to radio, to teleshaders really permit the peoog of the U. S. S. R. to have
knowledge of the facts of
all facts of the facts of
items of the facts of p irposes at least they strongtrets, which for propaganda sucs on which kinusheney fuest for, and by an eyelash you, the loadership of the So-viet Union.

There are many other burning problems facing the mew group ruling the Soviet Union.

Pirst, of all, they have the problem of East-West confects, which for propagated the collects.

znes on which Khrushchev These were the major is-

other nations," can be free if it oppresses Russia, there is nothing bad about that, \* \* \* No nation the Ukraine break away from

cepts of Lenin, who had this to say in 1917;
"If Finland, if Poland, if freedom anywhere, Certainly none of the Soviet leaders cares to remember the prehas feared the contagious in-fluence of granting more Polish and Hungarian revolts, Mololov was vigorously sit-tacked for his mistaken at-titude, Khrushchev, since the remains unresolved. Though

After all, soil conditions, cirm things are time for the solutions of the solutions of the solutions of the solutions, cirm things the solutions, cirm things the solutions, cirm things the solutions and comperature do the conditions, cirm things to to the solutions of the solut than 10 per cent of the coun-

and Austrian policies are the Pility for the ruthless inter-vention in Movember, 1956. The scars of dissent remained, however, and in the indict-ment of Molotov by the Cen-rral Committee, his Yugoshav tral Committee, his Yugoshav garian revolution, the ranks in the Seviet leadership had colosed, and Khrushchev personally as well as his opponents anust boar the responst-For a time during the Hun-

monolithic structure of the Soviet empire. the doctrine of differing roads to socialism, a heresy that is now threatening the by stimmenting support for the differing He was, in fact, vulnerable to the charge of having opened flood gates to revolt

Austrian settlement. by his policy of reconciliation with Yugoslavia and by his chey was attacked by Molotov and his followers for having weakened the Soviet position of twin lambs.

Finally, a third point at its couponers are between Mirushchov and his opponents lay in the re-lated fields of foreign policy and policy toward the European satellites. Hore Mirushamber was allacked by Molotov

well as their claimed ability to produce a larger number gram, even taking into account the noted fertility of
the rabbit, which is included
int he soviet calculations as production which, to say the least, is an ambitious pro-This latter would havelve an increase of three and a half times in Soviet meat

butter by 1058 and in meat by people on lity per capita with Americans in milk and with Americans in milk and of the more management of the policy of the continuous despite the continuous of the The first success or fallure

lands program. dubious spon the "virgin" party, is said to have been Khrushchov so far and now is This year promises to be only tair, and the e is no doubt only tair, and the e is no doubt that many Sovie; leaders fear a major crop.! shure as the mosture is use d up in the now lands, Evge, (Ansatza I.) Mikoyan, who has stuck with Whystokov so far and now is cellent crop and one fair one. Khrushchev's responsibility for the policy of investing heavily in the semi-said, sgridulurally margin "virgin" lands is very grea. So far, he has been jucky, vith one excellent crop and one fair one ellent crop and one fair one

#### Крингрерсу Сапеd Lucky

WOLKSTS on the farms as compared with 10 per cent of American every sixteen persons. Hence, 45 per cent of Soviet Isbor is to feed and supply every four persons in the U. S. R., Whereas the ratio in the Unite ed States is about one for every extens the supply expenses the supply extenses of bureaucratic mismanage-ment and Communist neglect of the motivating force of personal incentives bad, per sulted in an incitionary; of farm labor so great that 'if takes about one farm worker to feed and supply every four normal years.
Moreover, the combination

try is likely to produce rea-sonable agricultural yields in

growth, rate of other pairs of the Soviet coonomy, for the past twonty years Soviet production of agricultural commodities has failed to increase as first as the population of the U, S, S, R.

After all, soll conditions, After all, and temperature do not sweathall and temperature do not specificate the notation of the notation of the notation of sweathall and temperature do not specification of the notation of the notation of the notation of specification of the notation of th making agriculture the step-child of the Stalinist economy. In contrast with the rapid growth rate of other parts of the Soviet connent for the manpower and capital invest-ments away from the farms, phasis on heavy industry and military strength ; drained For many years, Soviet em-

acres—larger than the entire wheat acreage of the United ings of communism's greatest fissee, the collectivized farm system. This involves some eighty to a hundred million development he had started in the development he wirgin lands" the cast of the Caspian, in order of the Good the shortcoming for ever-increasing areas of state-controlled farm lands, on the pattern of the huge Eystem. Khrushchey has been press-

The second issue dividing the Soviet leaders in June Inst was the agricultural problem, often called the Schilles neel of the Soviet

provinces.

Here only two members of the presidium are in a position to exercise real influence control of the party machinery throughout the Soviet Union, and the milliary, present represented by Marabal Shulov. provinces.

central Government in Moscow and transfer it to the some of the power from the fight against this reorganiza-tion by many of Khrush-chev's colleagues is clear. The accentralization will remove the part to the paper that the The reason for the bitter

Government. of economic provincialism will develop to threaten the dominance of the central Couranness. are worked out. In the long-er run, there is the danger for the Soviet Union a kind new administrative command and coordinattion channels A long period of transition-al confusion is certain while

decentralization, but Khru-shchev's plan will create as many problems as it solves. "Transitional Confusion" States and approaching oneStates and approaching onehalf of its size.

There should be eventual
economic benefits from the
decentralization, but kinning
against the state of the state

more dispersed geographical-ly than that to the United the capital all the detaile of a listle of the samples faritation and an experience of the samples of the sample of the samples of the sample of the samples The resease in the reorgan-The reason for the reorgan-ration is readily understand-able it one tirds to conceive the bureaucraft mess which we would have it we which we would have from the property of the property of the pro-terior of the property of the pro-terior of the property of the pro-terior of the pro-

Last June, several of Khiu-shchev's colleagues tried to reverse all this.

Moscow were abolished and replaced by 105 regional economic ministries in Moscow were abolished and replaced by 105 regional economils. ery since the first five-year plan was adopted in 1928. потіс тапаветель тасніпing reorganization of the ecomachine, in the most sweepthe great Soviet industrial

dence that they are read eagerly by those who can obdence

tain them in the Russian universities.

The Soviet Government can still organize massive resistance propaganda circuses like the recent Moscow Youth Festival. They can train an ever increasing number of young scientists and techni-cians. They can bribe the ambitious with the rewards of

power and special privilege in the swollen bureaucracy. But they are finding it in-creasingly difficult to enlist in their cause the self-sacri-ficing and idealistic young men that Lenin once so count-ed on and who are the real motive power of successful revolutionary movements.

#### A Problem of Managers

The Soviet leaders also have the growing problem of the technical and managerial elite which has been created to run Soviet industry—now being decentralized. It will not be easy to restrain this class of people from using its critical skills to question the cumbersome governmental and Communist party bureacracy and what it is doing—or not doing—to give the members of that elite a better life.

Probably it is out of respect for the growing perceptiveness of the people of Russia, and at least out of recognition of popular yearning for peace, that Soviet leaders have been forced to give lip service to disarma-ment, another grave problem before the Moscow leaders.

Now that the issue of conceding some form of inspec-S. R. is squarely presented, they are hesitating. This prospect goes against every tradition and instinct of the secretive and suspicious Communist dictators,

These are some of the practical issues which Khrushchev now faces. There is no easy solution. After all, dictatorships, whether of the Stalin or of the Hitler type, can for a time exact great sacrifices from their peoples and achieve great materialistic accomplishments.

In fact, for a limited period, it may be easier for a dictatorship to make steel than bread and butter-easier to build a mighty war machine than to satisfy the moral, spiritual and material needs of a great diverse people. This is certainly the case with the Communist dictatorship in the U. S. S. R.

Today communism is more valuable as an article of export than it is as a solution for the problems of a country like the Soviet Union, which is making great strides in fields of material progress, but which has still found no way of creating a govern-ment which can meet the needs and aspirations of its

#### Appeal of Communism Noted

Undoubtedly in many areas of the world, particularly those recently freed from colonial rule, the image of com-munism still has an appeal. It seems to combine the ad-vantages of strict discipline at the top with the promise

task of making a government work among peoples who have had little experience with it and who at the same time have the desire to become quickly an industrial force in their own right.

The politically unsophisticated peoples of the underdeveloped nations have yet to learn what the peoples of the Communist world are slowly coming to understand about Marxism and industrial growth Djilas, the Yugoslav Communist heretic, put it

"Modern communism began as an idea with the inception as an awa with the inception of modern industry. It is dying out or being climinated in those countries where industrial development has achieved its basic purposes. It flourishes in those countries where this has not yet happened."

In fact, I would add to this that the force of ideological Communism seems weakest in those countries like the U. S. S. R., where it has been the longest in control. It has its strongest appeal to the minds of these peoples in the underdeveloped areas of the world where they have had no

practical experience with it. Viewed in broad perspective; communism is only one of the many great revolutionary movements that have swept into world history. Such movements seemed to combine an ideology or a faith expressed as a program of action, and a discipline through a political or military machine capable of organiz-ing the energies of the people in order to carry out the ideas have captured their imaginations and loyalties.

I realize that historical

analogies are notoriously treacherous. But there may be food for thought in comparing the evolution of Soviet communism with the classical periods of revolutionary movements. Possibly the closest parallel in history is with the French Revolution.

The pattern seems to be this: The intellectuals desert their political institutions and pontical institutions and adopt what they call a "Reform program." Then revolutionary elements 'take over from the intellectuals and seize power, generally bearing the control of the con seize power, generally begin-ning with the moderates of the Denton type, and passing through the extremists like Robespierre, with a reign of inhuman zeal and terror. Successive groups of leaders are destroyed with each change in the tempo of the revolution.

As Vergniaud said in the course of the French Revolution, "The Revolution, like Saturn, devours its own children." Eventually, human naturn whele and devoted. ture rebels and demands a more normal life. Then the practical political and military leaders depose the ex-tremists.

#### Reference To Napoleon

Finally, in the case of the French Revolution, there was the temptation, to which they quickly yielded, to indulge in foreign military adventure, and — eventually the access

to whether this last phase of the French Revolution will be repeated in the case of Soviet communism. I have no crystal-ball answer, but certainly military dictatorship is one of the possible lines of evolution in the Soviet Union. From this analysis of de-

velopments in the Soviet Union, it is fair to conclude that I believe that the old Communist dialectic of Marx, Lenin and even Stalin does not answer the problems of the Soviet Union today— either those of its industrial growth or of its lasting con-trol over the great peoples living within the Soviet Union.

It would flow from this that Khrushchav and whoever he may associate with him-self in the leadership, assuming he keeps his control for a time, will have to determine how they are going to ac-complish this dual task. Will they meet it by further relax-ation, thereby increasing the moral and industrial potential of the Soviet Union itself, and the prospects of peace, but risking the loss of the satellite countires?

Will they attempt a reversion to something like Stalinism under another name as some of the tough, uncom-promising language and ac-tions from Moscow of recent days would suggest? Or will to risk thev be tempted foreign venture with a view to uniting their people and their energies to meet alleged enemies they claim are en-circling them?

#### Technology Is Gaining

These are the issues. would not wish to suggest that what I have referred to as the decline of the Marxist communism has left the Soviet Union materially weak in facing them. The Soviet may be ideologically less menacing. Technologically, power is still increasing.

Throughout the entire revolution, once the Communist regime was firmly established in Russia, the emphasis was placed on heavy industry, and on building up the war ma-chine. This has been a con-stant policy and has been one phase of Soviet life that has not been affected by changing leaders or interpretations of Communist ideology.

After all, the men who are at the helm in the Sovict Union are not the original revolutionary heroes. Khrushchev and Mikoyan and their henchmen belong to the everpresent class of political carecrists who see in a revolutionary movement the nath to tionary movement the path to power and privilege. They did not make the revolution, like Lenin, It made them, and they want above all else to preserve their positions. serve their positions.

While Marxism at one time or another has invaded most segments of Soviet life, including the army with its po-litical commissar and indoctrination agents, those who have planned the Soviet military build-up have been little hampered by it. In their con-centration on the fields of nuclear energy, aircraft de-

sion of properties of the properties of the publications, and in spite of nations struggling with the Sovet censorship there is evi
task of making a government

sion of properties of the properties of the publications, and in spite of the publications, and in spite of the publications of the publications of the properties of the pro cept during brief periods of Stalin's last hectic days.

Take for example, the case of guided missiles. Here they never ceased work from the days of 1954 when they took over the German missile installation at Peenemuende with its rockets of a range between 150 to 200 miles. Now we know they have developed modern missiles of many times the power and efficiency of the German war-time models.

#### 'Series of Contradictions'

The Soviet Union which we face today presents a series of contradictions. Its leader has practically unrestrained power except for such control as the military may exercise, backed by a formidable machine-a leader committed by this express policies to improve the lot of his people, and pre-sumably committed also to relax the harsh controls of Stalin which he has described so vividly himself and which

he purports to abhor.

At the same time, this leader, Khrushchev, faces the dilemma that any substantial relaxation at home or abroad, given the nature of the Communist dictatorship as it has evolved, may spell his own downfall. For he faces, and he knows it, a people who are questioning the basic tenets of Marxist communism, and particular a student body that is becoming more and more vocal in demanding the truth and may not be satis-fied with half measures. The Communist leaders are

also facing a growing body of highly educated, technologically competent men and wo-men in the field of industrial management and production. It may prove impossible for them to stop the growing wave of intellectual unrest in the Soviet Union. Khrushchev cannot turn back education or stop technological development and keep the U.S.S.A.

a great power. Yet Khrushchev seems to be in a hurry to solve a whole series of such problems as I have described and gain the personal success necessary to

maintain his own position.

In addition to all this, he has deeply committed himself in certain foreign adventures, particularly in the Middle East—partly, it may be as-sumed, to district attention from problems at home and the satellites. All this rightfully makes us cautious in our judgments and does not suggest that there are any quick or easy ways out in our relations with the U. S. S. R.

But over the longer range, we can rest assured that revolutionary Communist tyranny cannot provide a final answer or a satisfactory answer to the needs of a civilized community. No power on earth can restore the myth that communism is the wave of the future after 10,-000,000 Hungarians, after a decade of experience with it, and at the risk of their lives, gave it such a resounding vote of no confidence.

The people of Russia, if given time to continue their

It seems to combine the ad-to power of the military man to the power of the military man to the narrow bounds of Com-to power of the military man to power of t 15

### EAST-WEST TRADE RISING IN EUROPE

U. N. Unit Finds It Doubled Since 1952, but Volume Is Less Than Pre-War

CPYRGHT

Special to The New York Times.

United Nations Economic Con mission for Europe estimate today that trade between Eas ern and Western Europe ha doubled in the last five year and was still growing.

However, the commission noted in its report that "th pre-war volume is still far from being attained" although the flow reached a new post-war peak last year.

The value of trade between Western Europe and the Sovie bloc was 20 per cent greater in 1956 than in the previous year the United Nations agency said The same rate of increase was attained during the first four months of 1957.

The urgent need in Eastern Europe for increasing amounts of imported goods was cited as one of the motivating forces behind the rise. In Western Europe, the relaxation of import controls and currency restric-tions stimulated trade expansion, the commission said.

#### Share of Trade Rises

Western Europe's share of Eastern Europe's trade increased from 15 per cent in 1952 to almost 19 per cent in 1956. However, Eastern Europe's share in Western Europe's total trade remained nearly stable during the five-year period at about 3 per cent, the commission reported.

Steel exports from Western Europe to Eastern Europe rose from 400,000 tons in 1955 to more than 1,000,000 tons in 1956. Most of the increase was supplied by West Germany, Belgium, Luxembourg, Italy and

Austria.

The Western European shipbuilding industry, which is oper-ating at full capacity, has accepted "important new orders from the Soviet Union and also rom Poland, which has planned o expand its ocean-going fleet," he commission said.

he commission said.
Eastern European exports of grain to Western European countries increased from 1,100,000 tons to 1,800,000 tons between 1955 and 1956 while deliveries in the opposite direction stayed at about 850,000 ion stayed at about 850,000 ons. Western Europe as a whole vas probably a net importer of rain last year, the commission

#### Poles to Continue Exports

In its forecast of trends, the ommission said that in 1957 oland would maintain her coal xports to Western Europe thile her exports to Eastern Europe would be halved. Last ear Poland sent 21,500,000 tons f coal to Western European

"In many Eastern European

ms are now receiving more

## Reds Eye Private Enterprise To Solve Housing Shortage

MOSCOW, Sept.

Union's housing shortage! This was revealed following a them." series of conferences between York construction specialist, Clalist for the Soviet Council of who reported the former con. Ministers. who reported the former conreyed to him "their desire to in- "that he and his colleagues now

and the ground surrounding

Winston made his disclosures Russian housing bosses and after meeting with Vladimir G.
Norman K. Winston, a New Ermolenko, construction spe-

"He told me," said Winston, rease housing by encouraging have a plan functioning whereersonal ownership of homes by individuals can secure from

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Landon Times SEP 1 5 1957

PYRGHT, Candle

part of the rulers.

It is understandable that the

Russian people no longer look

to their newspapers for political

enlightenment, since they rightly regard the Soviet Press

as the automatic mouthpiece of

the Government. Therefore if

is encouraging that the public

able revival. Needless to say this did not happen spontane-

ously. It was after Malenkov's deposition that Mr. Khrushchev

decided there should be nationvide political gatherings where

he leaders who kept office

could tell the people how the

turning toward private enterprise to solve the Soviet land large enough for fairsized homes and kitchen gardens."

> A kitchen garden is described as a small plot of land adjoining a home in which garden vegetables are grown for family con-

The Russians also are embracing the good old American custom of assisting the wouldbe homeowners financially with the Government mortgage

repayable in from seven to 15

This, of course, would be a direct descendent of America's Federal Housing Administration policy of helping finance home construction.

The New York housing specialist said he promised the Soviet authorities information on housing plans designed for middle income families, plus a memorandum on how such projects were financed in the United States.

### VISITS APARTMENTS

This latter data, it was pointed out, would show that in 20 years of operation the F. H. A's total loss was less than onetenth of 1 percent.

Winston visited a number of finished apartments in the Moscow area and observed:

"My feeling is that the Russians will live up to their promises to build 60,000 new housing units in 1957 and 100,000 in 1958 (in the Moscow area).

"This plan has been speeded up by 'interesting' new Soviet processes such as rolling cement slabs like steel, using them for prefabricated walls."

Winston plans to return to Moscow in April, next year, at the invitation of the Soviet building industry.

serious attention than ever be fore during the post-war period," the commission said "The reappraisal of principles governing foreign trade in cenrally planned economies started several years ago in Hungary, and more recently Poland and Eastern Germany have joined in the discussion."

One result of the reappraisal has been that some enterprises in Hungary, Poland and East Germany have been permitted to negotiate directly with foreign concerns, the commission observed.

West trade, the commission suggested that the expansion would probably continue. Referring to recent emphasis in Eastern Europe on industrialization at the expense of agricultural commodities, the report said "there may well be some reversion to the commodities traditionally exported to West-tern Europe which had been neglected in the past."

The lift and politics of Russia. So I was pleased when a career diplomat, stationed in Moscow, came to my house recently and gave me an illuminating account of People and Things in the Soviet today. One change that may be significant is the growing respect or perhaps the growing fear of internal public opinion on the part of the rulers. Viewing the future of East

**CPYRGHT** N. Y. Times SEP 23 1957

Dutput in First 8 Months of '57 Up 21%, Pravda Says MOSCOW, Sept. 22

on's effort to exceed the United tates in milk production by

The Communist party news-The Communist party newsper said Soviet cows had roduced 3.2 million tons of ilk in the first eight months this year. It said this was per cent more than in the me period of 1956.

In the eight-month period, the average production per cowwists 1,496 kilograms (3,307.06 pounds), the paper said. It ded that cows in the Moscow ra were the best producers th a per-cow average of 2,450 ograms (5,404.5 pounds).

The average in the United tes is more than 5,000 <del>Release</del> 2001/03/30

## SOVIET CITES MILK GAIN meeting is having a consider-

ravia produced today the atest figures on the Soviet Un-

nalefactors had sinned. Mr. Khrushchev even went so ar as to invite questions. although there is no record hat any member of the audience asked him why he did not esign. "The truth is," said my nformant, "that even the

Russian people will not be conent to live for ever under a Fovernment which refuses to some account of its ctions.

"It is only a flickering andle," he said, "but at least

#### **CPYRGHT**

N. Y. Times SEP 23 1957

Soviet Loans Total Billions MOSCOW, Sept. 22 (P)-Th

tion's loans to other Communist nations are big business. The Soviet press reports hese loans totaled 21,000,000,-000 rubles during the ten-year period beginning in 1945. With the ruble officially valued here at 25 cents, that would be \$525,-000,000,000.

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